

HOUSE BILL 580

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Q7
HB 607/02 - W&M

2003 Regular Session
3lr0426

By: **Delegates Marriott, Anderson, Benson, Carter, Gutierrez, Howard,
Menes, Morhaim, Nathan-Pulliam, Paige, Patterson, Ross, F. Turner, V.
Turner, and Vaughn**

Introduced and read first time: February 6, 2003
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverage Tax - Special Fund for Alternatives to Incarceration for**
3 **Drug Offenders**

4 FOR the purpose of altering State tax rates for alcoholic beverages sold in Maryland;
5 altering the distribution of the alcoholic beverage tax revenues for certain fiscal
6 years; requiring the Comptroller to distribute a portion of the alcoholic beverage
7 tax revenues to a special fund to be used only for certain purposes; and generally
8 relating to the alcoholic beverage tax and the dedication of certain alcoholic
9 beverage tax revenues for certain purposes for certain fiscal years.

10 BY repealing and reenacting, with amendments,
11 Article - Tax - General
12 Section 2-301 and 5-105(a), (b), and (c)
13 Annotated Code of Maryland
14 (1997 Replacement Volume and 2002 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article - Tax - General**

18 2-301.

19 (a) From the alcoholic beverage tax revenue, the Comptroller shall distribute
20 the amount necessary to administer the alcoholic beverage tax laws to an
21 administrative cost account.

22 (b) [After] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION,
23 AFTER making the distribution required under subsection (a) of this section, the
24 Comptroller shall distribute the remaining alcoholic beverage tax revenue to the
25 General Fund of the State.

1 (C) (1) FOR EACH OF FISCAL YEARS 2004 THROUGH 2008, BEFORE MAKING
2 THE DISTRIBUTION REQUIRED UNDER SUBSECTION (B) OF THIS SECTION, THE
3 COMPTROLLER SHALL DISTRIBUTE TO A SPECIAL FUND 100% OF THE ADDITIONAL
4 ALCOHOLIC BEVERAGE TAX REVENUES RESULTING FROM THE INCREASE IN THE
5 ALCOHOLIC BEVERAGE TAX RATES UNDER CHAPTER _____ OF THE ACTS OF 2003
6 (H.B. _____)(3LR0426), AS DETERMINED BY THE COMPTROLLER.

7 (2) FUNDS DISTRIBUTED TO THE SPECIAL FUND UNDER PARAGRAPH (1)
8 OF THIS SUBSECTION SHALL BE USED ONLY FOR THE PURPOSE OF PROVIDING
9 ADDITIONAL FUNDING FOR FISCAL YEARS 2004 THROUGH 2008 FOR PROGRAMS
10 PROVIDING ALTERNATIVES TO INCARCERATION FOR DRUG OFFENDERS.

11 (3) MONEYS EXPENDED FROM THE SPECIAL FUND ARE SUPPLEMENTAL
12 AND ARE NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE
13 WOULD BE APPROPRIATED FOR PROGRAMS PROVIDING ALTERNATIVES TO
14 INCARCERATION FOR DRUG OFFENDERS.

15 5-105.

16 (a) Except as provided in subsection (e) of this section, the alcoholic beverage
17 tax rate for distilled spirits is:

18 (1) [~~\$1.50~~] \$3 for each gallon or [~~39.63~~] 79.26 cents for each liter; and

19 (2) if distilled spirits contain a percentage of alcohol greater than 100
20 proof, an additional tax, for each 1 proof over 100 proof, of [~~1.5~~] 3 cents for each
21 gallon or [~~0.3963~~] 0.7926 cents for each liter.

22 (b) Except as provided in subsection (e) of this section, the alcoholic beverage
23 tax rate for wine is [~~40~~] 80 cents for each gallon or [~~10.57~~] 21.14 cents for each liter.

24 (c) Except as provided in subsection (e) of this section, the alcoholic beverage
25 tax rate on beer is [~~9~~] 18 cents for each gallon or [~~2.3778~~] 4.7556 cents for each liter.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 July 1, 2003.